

**Fiscal Year 2010 DEQ Fee Proposal  
Inland Lakes and Streams (Part 301) Fees  
November 6, 2008**

**Program Description.** The Inland Lakes and Streams Program protects the natural resources and the public trust waters of the more than 11,000 inland lakes and over 36,000 miles of streams in the state. The program oversees activities including dredging, filling, constructing or placing a structure on bottomlands, interference with natural flow of water or connecting a ditch or canal to an inland lake or stream.

**MCL Citation.** MCL 324.30101

**Sunset Date.** The sunset date for the Part 301 permit fees is October 1, 2011.

**Last Fee Increase.** The Part 301 permit fees have not been increased since 1996.

**Who Pays the Fees?** Funding for this program is provided by state General Fund/General Purpose money, federal funds from FEMA, and the Land and Water Management Division's (LWMD) permit fee revenues. Of the fee payers, 95 percent are private property owners, commercial and residential developers, business and industry. Other applicants include local, state and federal agencies such as the Department of Natural Resources, Michigan Department of Transportation, Natural Resources Conservation Service, and United States Forest Service.

**Services Provided.** This program provides technical review of activities that may permanently alter inland lakes and streams such as dams, bridges, marinas, permanent docks, shore protection, and outfall structures. Permits are designed to ensure that economic development at the land/water interface will not threaten public safety, riparian rights, cause property damage, nor significantly degrade the aquatic ecosystems. Approximately 4300 applications are processed each year.

**Benefits of the Services Provided.** Michigan's inland lakes and streams make up a major component of the state's water resources. These waters are important to the public for recreation (swimming, fishing, boating), as water supplies for home, agricultural, and commercial uses, to support tourism, to provide habitat for fish and wildlife, and in general to support the quality of life in the state. Part 301 protects the physical integrity of these waters. An evaluation by qualified technical staff is required before public trust waters may be permanently altered or destroyed. Evaluations assure that activities conducted at the land/water interface allow for use of the resource without negative impacts to the aquatic system, public trust waters, navigation, or riparian rights. Technical expertise on shore protection, docks, and other structures, is also provided, assisting landowners in project design and reducing costs. The Land and Water Management Division (LWMD) has integrated review of Part 301 permits with regulated activities impacting other water resources including wetlands, floodplains, and Great Lakes shorelands through a consolidated permit process. Because of this authority, a Part 301 permit issued by the LWMD provides necessary authorization under the federal Clean Water Act, eliminating the need for a duplicative permit from the U.S. Army Corps of Engineers (USACE) in most areas.

**What Happens Without The Services?** Without adequate, well-trained staff, opportunities to provide technical services and ensure adequate project review will be lost. Potential adverse impacts to natural resources, loss of public trust waters, interference with navigation, and adverse impacts to riparian rights may result. The total loss of Part 301 would shift permitting authority to the USACE. This would result in significant costs and delays for landowners. Coordinated permitting would be fractured with duplicate state and federal permits required due to the loss of Michigan's federal program authority. The federal permit program is not fully responsive to the concerns of state natural resource policy, riparian property owners, and other public trust concerns.

**Current Fee Revenue.** The LWMD saves citizens time and money by providing one consolidated permit for up to six regulated activities. The charge for this permit equals the cost of the fee for the highest single permit, although the permit authorizes multiple regulated activities to take place. Therefore, it is not possible to project fees separately for inland lakes and streams activities.

**Proposed Fee Revenue.** The current combined LWMD fee schedule yields approximately \$2 million annually, and the proposed increase will yield approximately \$3.2 million.

**Service Improvements and Efficiencies.** The LWMD is making advances in the use of Geographic Information System (GIS) technology to improve the efficiency of the permit process, and has maximized use of internet resources to provide assistance to permit applicants. Pre-application meetings (which are held at the request of the landowner) provide information regarding regulated activities, avoidance of impacts, and the permit application process. The LWMD has reduced processing times for projects that have minimal cumulative impacts on the environment through the use of general permits. While the LWMD has implemented many of the Value Stream Mapping (VSM) process improvements recommended by the stakeholder/ DEQ permit review team, full implementation is not possible without additional staff resources, as identified by the VSM review.

**Service Reductions.** Over the past year and a half the LWMD conducted an extensive internal review of available resources and workload requirements. Concurrently with this review the LWMD was the subject of a nine month evaluation by the Director's Environmental Advisory Council (EAC). Both efforts identified a critical imbalance between workload and available resources. A workload reduction plan has been implemented, with full EAC support, to better align staff work efforts with priority duties in the division. Service reductions include discontinuation of site visits during minor permit reviews, no response to complaints from the public that fit the LWMD low priority category, and severely limited outreach to the regulated community. The Legislature has been briefed on these program cuts.

**Impact Without Fee Increase.** The LWM permit fees are based on the highest fee for the regulated activities covered by the permit, and are not maintained by individual program. Therefore, the impact of the outcome of this fee proposal effort will have to be evaluated across all of the programs. At a minimum, the level of service available would be limited without funding to sustain it.

Costs and the time to complete a project will be increased because Michigan will not be able to maintain its ability to issue federal authorizations. A portion of our inland waters, such as headwaters of streams and isolated lakes, may not be protected at the federal level. Impacts to the riparian interests of neighboring parcels to that of the applicant will not be evaluated under federal review.

It is the responsibility of the State to protect Michigan's public trust waters. Part 301 is the only state statute that protects the public's access, and the use of these waters, as well as helping to protect the fish and wildlife habitat found therein.

A portion of the fee request is to allow the division to upgrade the permitting database which is over 20 years old, as well as to integrate the various other databases that have been created to supplement this antiquated system. The current database is not capable of being upgraded and does not allow the information tracking that is necessary to comply with current statutes, respond to requests relative to LWMD programs from internal or external interests, nor to easily respond to legislative reports and inquiries. Without an update, the database will continue to be out of compliance relative to security and financial control issues.

**Proposed Fee Schedule  
Inland Lakes and Streams Program**

<b>ACTIVITY</b>	<b>CURRENT FEES</b>	<b>2009-2010 PROPOSED FEES</b>
General Permit	\$50	\$200
Minor Project	\$50	\$350
Seasonal drawdown of a lake for weed control	\$500	\$2,300
Subsequent Drawdown	\$50	\$750
Major Ecological Restoration for state, federal, and non-profit conservation agencies or organizations.	New	\$750
Marina Expansion 1-10 slips	\$50	\$750
Marina Construction 1-10 slips	\$100	\$1,200
Marina Expansion 11-25 slips	New	\$1,500
Marina Construction 11-25 slips	New	\$2,200
Marina Expansion 26-50 slips	\$250	\$3,700
Marina Construction 26-50 slips	\$500	\$4,500
Additional Slips over 50	\$10	\$35
Marina Operating Permit	\$50 every three years	Proposed for elimination
Marina Maintenance Dredging 10,000 cyds or more, or seawall construction of 300 ft. or more. (Authorizations last for 5 years)	\$1,500	\$4,500
Marina Reconfiguration	New	\$750
Major Projects	\$2,000	\$7,500
All Other Projects	\$500	\$2,300
Establish Location of Ordinary High Water Mark	\$500	\$5,000
Minor Permit Revision/ Transfer	New	\$300
Pre-application Meeting – In Office for a Single Residential Lot < 1 acre	\$0	\$0
Pre-application Meeting- On-Site for a Single Residential Lots < 1 acre	\$100	\$100
Pre-application Meeting – In Office for all other projects.	\$150	\$150
Pre-application Meeting- On-Site - Parcels	\$250 (up to 300 feet of shoreline) plus \$50 each additional 100 feet (not to exceed \$1,000)	\$250 (up to 300 feet of shoreline) plus \$50 each additional 100 feet (not to exceed \$1,000)
Pre-application Meeting- On-Site - Linear Projects	New	\$250 plus \$50 each additional crossing or site (not to exceed \$1,000)
Major Project Categories for Subdivisions, Condominiums, and Golf Courses	\$2,000	Delete category. Fees will be assessed based on appropriate project category above.

\* Each 40 linear feet broadside dockage constitutes one slip.